

House Study Bill 252 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON GRASSLEY)

A BILL FOR

1 An Act relating to rural economic development by establishing
2 a rural economic revitalization center and requiring that
3 a certain percentage of the tax incentives administered by
4 the economic development authority be provided to projects
5 located in small cities, and including applicability
6 provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.105, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 8A. The members of the authority shall
4 administer the rural economic revitalization center established
5 in section 15.106F.

6 Sec. 2. NEW SECTION. 15.106F Rural economic revitalization
7 center.

8 1. A rural economic revitalization center is established
9 within the authority. A rural economic revitalization
10 center office shall be established and maintained in each
11 congressional district on the campus of either a community
12 college or regents institution within each district.

13 2. The rural economic revitalization center shall support
14 rural communities by doing all of the following:

15 a. Identify and study successful strategies to attract and
16 grow economic development and the workforce.

17 b. Identify and assist in applications for economic
18 development programs.

19 c. Identify and provide pathways for rural community
20 improvement.

21 d. Assist in and serve as a conduit for rural policy
22 development.

23 3. The board shall serve as the governing body of the rural
24 economic revitalization center, and shall provide an annual
25 report to the general assembly and the governor relating to
26 rural revitalization issues and efforts by January 15, 2021,
27 and by every January 15, thereafter.

28 Sec. 3. Section 15.119, Code 2019, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 3A. a. Of the total amount of tax credits
31 allocated for purposes of subsection 2, paragraph "a", during
32 each fiscal year, at least fifty percent shall be allocated for
33 purposes of small city projects that meet all of the following
34 criteria:

35 (1) An accredited public or private postsecondary

1 educational institution is located in the county in which the
2 small city is located.

3 (2) Sufficient housing is located within thirty miles of
4 the project to accommodate such a project. As used in this
5 subparagraph, "*sufficient housing*" means a determination using
6 information from the latest American community survey conducted
7 by the United States census bureau relating to statistics on
8 rental housing, owner-occupied housing, vacancy rates, and
9 vacancy units.

10 *b.* In the event this small city allocation percentage is not
11 satisfied in a given fiscal year, a shortfall is declared to
12 exist, and the percentage of the total amount of tax credits
13 allocated for purposes of subsection 2, paragraph "*a*", during
14 the succeeding fiscal year that shall be allocated for purposes
15 of projects located in a small city shall be adjusted to equal
16 an amount necessary to reach the fifty percent small city
17 allocation percentage for that fiscal year, plus an amount
18 equal to the shortfall for the prior fiscal year or years.

19 *c.* For purposes of this subsection, "*small city*" means any
20 city located in this state with a population of thirty thousand
21 or less in a county with a population of fifty thousand or
22 less. A small city that is located in more than one county
23 shall be considered to be located in the county having the
24 greatest taxable base within the city.

25 Sec. 4. APPLICABILITY. The following applies to fiscal
26 years beginning on or after the effective date of this Act:

27 The section of this Act amending section 15.119.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
30 the explanation's substance by the members of the general assembly.

31 This bill relates to rural economic development by
32 establishing a rural economic revitalization center and
33 requiring a certain percentage of the tax incentives
34 administered by the economic development authority (authority)
35 to be provided to projects located in small cities.

1 The bill establishes a rural economic revitalization center
2 within the authority. A rural economic revitalization center
3 office shall be established in each congressional district on
4 the campus of either a community college or regents institution
5 within each district. The bill specifies that the rural
6 economic revitalization center shall support rural communities
7 by identifying and studying successful strategies to attract
8 and grow economic development and the workforce; assisting
9 in and serving as a conduit for rural policy development;
10 identifying and assisting in applications for economic
11 development programs; and identifying and providing pathways
12 for rural community improvement.

13 The members of the authority appointed by the governor
14 pursuant to Code section 15.105 shall serve as the governing
15 body of the rural economic revitalization center. The
16 bill requires the governing body of the rural economic
17 revitalization center to provide an annual report to
18 the general assembly and the governor relating to rural
19 revitalization issues and efforts by January 15, 2021, and by
20 every January 15, thereafter.

21 Under the tax credit program administered by the authority,
22 the authority provides various tax incentives to eligible
23 businesses that complete projects in Iowa. The bill requires
24 that at least 50 percent of the tax incentives awarded by the
25 authority each fiscal year shall be allocated for projects
26 located in a small city based upon certain criteria. The
27 criteria for purposes of allocation of projects in a small
28 city require the following: an accredited public or private
29 postsecondary educational institution located in the county in
30 which the small city is located and sufficient housing located
31 within 30 miles of the project. The bill defines "sufficient
32 housing" to mean a determination using information from the
33 latest American community survey conducted by the United States
34 census bureau relating to statistics on rental housing, owner
35 occupied housing, vacancy rates, and vacancy units.

1 The bill defines "small city" to mean any city located in
2 this state with a population of 30,000 or less in a county with
3 a population of 50,000 or less. If a small city is located in
4 more than one county, it is considered to be located in the
5 county having the greatest taxable base within the city.

6 In the event this small city percentage is not satisfied in
7 a given fiscal year, a shortfall is declared to exist, and the
8 percentage of tax incentives awarded to projects in a small
9 city in the succeeding fiscal year shall be adjusted to equal
10 an amount necessary to reach the 50 percent requirement for
11 that fiscal year, plus an amount equal to the shortfall for the
12 prior fiscal year or years.

13 The amendment relating to the tax credits administered by
14 the authority applies to fiscal years beginning on or after the
15 effective date of the bill.